

AMENDED IN ASSEMBLY AUGUST 21, 2006

AMENDED IN SENATE APRIL 25, 2006

AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1317

Introduced by Senator Torlakson

February 16, 2006

An act to amend Section 100 of, and to add Section 100.95 to, the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1317, as amended, Torlakson. Property tax revenue allocations: public utilities: qualified property.

~~The~~

(1) *The* California Constitution requires the State Board of Equalization to assess the property, other than franchises, of companies transmitting or selling gas or electricity. Existing property tax law provides for the valuation, as a unit, of properties of a state assessee that are operated as a unit as a primary function of that assessee, and for the allocation of the assessed value of the unit among various counties in which the state-assessee's unitary property is located. Existing law also provides, pursuant to specified formulas, for the application in each county of specified tax rates to unitary assessed value, and for the allocation among jurisdictions in that county of the resulting revenues.

This bill would, for the 2007–08 fiscal year and for each fiscal year thereafter, require that the assessed value of qualified property, as defined, placed in service by a public utility on or after January 1, 2007, be allocated entirely to the county in which the property is

located. This bill would also require that the property tax revenues derived from qualified property be allocated among the county, certain special districts, and school entities in the same percentage shares as revenues derived from the utility in the prior fiscal year. This bill would also require that the balance of these revenues remaining after these allocations have been made be allocated to water districts, cities, or the county, as specified. *This bill would make findings and declarations that the bill not be construed to require the State Board of Equalization to modify its computerized roll system, as specified.*

By

(2) *By* establishing new duties with respect to the annual allocation of property tax revenues derived from state-assessed property, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This

(3) *This* bill would change the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county, within the meaning of paragraph (3) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

(4) *This bill would incorporate additional changes to Section 100 of the Revenue and Taxation Code, proposed by AB 2670, to be operative only if AB 2670 and this bill are both enacted, both bills amend the respective section, and this bill is enacted after AB 2670.*

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100 of the Revenue and Taxation Code
2 is amended to read:

1 100. Notwithstanding any other provision of law,
2 commencing with the 1988–89 fiscal year, property tax assessed
3 value attributable to unitary and operating nonunitary property,
4 as defined in Sections 723 and 723.1, that is assessed by the State
5 Board of Equalization shall be allocated by county as provided in
6 Section 756, and the assessed value and revenues attributable to
7 that allocation shall be allocated within each county as follows:

8 (a) Each county shall establish one countywide tax rate area.
9 The assessed value of all unitary and operating nonunitary
10 property shall be assigned to this tax rate area. No other property
11 shall be assigned to this tax rate area.

12 (b) Property assigned to the tax rate area created by
13 subdivision (a) shall be taxed at a rate equal to the sum of the
14 following two rates:

15 (1) A rate determined by dividing the county's total ad
16 valorem tax levies for the secured roll, including levies made
17 pursuant to Section 96.8, for the prior year, exclusive of levies
18 for debt service, by the county's total ad valorem secured roll
19 assessed value for the prior year.

20 (2) A rate determined as follows:

21 (A) By dividing the county's total ad valorem tax levies for
22 unitary and operating nonunitary property for the prior year debt
23 service only by the county's total unitary and operating
24 nonunitary assessed value for the prior year.

25 (B) Beginning with the 1989–90 fiscal year, adjusting the rate
26 determined pursuant to subparagraph (A) by the percentage
27 change between the two preceding fiscal years in the county's ad
28 valorem debt service levy for the secured roll, not including
29 unitary and operating nonunitary debt service.

30 (c) The property tax revenue derived from the assessed value
31 assigned to the countywide tax rate area pursuant to subdivision
32 (a) by the use of the tax rate determined in paragraph (1) of
33 subdivision (b) shall be allocated as follows:

34 (1) For the 1988–89 fiscal year and each fiscal year thereafter,
35 each taxing jurisdiction shall be allocated an amount of property
36 tax revenue equal to 102 percent of the amount of the aggregate
37 property tax revenue it received from all unitary and operating
38 nonunitary property in the prior fiscal year, exclusive of revenue
39 attributable to qualified property under Section 100.95 and levies
40 for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

1 (2) The amount of property tax revenue available for
2 allocation pursuant to this subdivision shall be allocated among
3 taxing jurisdictions in the proportion that the amount computed
4 for each taxing jurisdiction pursuant to paragraph (1) bears to the
5 total amount computed pursuant to paragraph (1) for all taxing
6 jurisdictions.

7 (3) If a taxing jurisdiction is levying a tax rate for debt service
8 for the first time in the current fiscal year, for purposes of
9 determining the percentage specified in paragraph (1), that
10 percentage shall be the percentage determined by dividing the
11 amount of property tax revenue received by that taxing
12 jurisdiction in the prior year pursuant to subdivision (c) from
13 unitary and operating nonunitary property by the total amount of
14 property tax revenue received by that taxing jurisdiction in the
15 prior year from all property within the taxing jurisdiction.

16 (e) For purposes of this section:

17 (1) “The county’s total ad valorem tax levies for the secured
18 roll” means all ad valorem tax levies for the county’s secured
19 roll, including the general tax levy, levies for debt service
20 (including land only and land and improvement rates), and levies
21 for redevelopment agencies.

22 (2) “The county’s total ad valorem secured roll” means the
23 county’s local roll, after all exemptions except the homeowner’s
24 exemption, and the county’s utility roll.

25 (3) “Taxing jurisdiction” includes a redevelopment agency.

26 (4) In a county of the second class, for the 1992–93 fiscal year
27 and each fiscal year thereafter, “taxing jurisdiction” includes that
28 fund that has been designated by the auditor as the “Unallocated
29 Residual Public Utility Tax Fund.” All revenues allocated to that
30 fund pursuant to this section shall be deposited in that fund and
31 shall be distributed as follows:

32 (A) For the 1992–93 fiscal year to the 1996–97 fiscal year,
33 inclusive, at the discretion of the county board of supervisors.

34 (B) For the 1997–98 fiscal year, 100 percent to the Orange
35 County Fire Authority.

36 (C) For the 1998–99 fiscal year and each fiscal year thereafter,
37 in accordance with the following schedule:

38 (i) Fifty-seven and forty-seven hundredths percent to the
39 Orange County Fire Authority.

1 (ii) Forty-one and forty-seven hundredths percent to the
2 Orange County Library District.

3 (iii) Forty-eight hundredths percent to the Buena Park Library
4 District.

5 (iv) Fifty-eight hundredths percent to the Placentia Library
6 District.

7 (f) The assessed value of the unitary and operating nonunitary
8 property shall be kept separate for each state assessee throughout
9 the allocation process.

10 (g) Each state assessee shall be issued only one tax bill for all
11 unitary and operating nonunitary property within the county.

12 (h) This section does not apply to unitary property of regulated
13 railway companies.

14 (i) This section does not apply to property that on July 1, 1987,
15 was undeveloped and owned by a utility and located within a
16 city, county, or city and county that adopts a resolution stating
17 that the property is subject to a development plan or agreement
18 and that this section shall not apply to that property, and the city,
19 county, or city and county transmits a copy of that resolution,
20 including a legal description of the property, to the State Board
21 of Equalization and the county's auditor-controller prior to
22 January 1, 1988.

23 (j) (1) For property that on July 1, 1990, was undeveloped and
24 owned by a utility and that is located within a city, county, or city
25 and county that adopts a resolution stating that the property is
26 subject to a development plan or agreement and that this
27 subdivision applies to that property, and the city, county, or city
28 and county transmits a copy of that resolution, including a legal
29 description of the property, to the county auditor prior to August
30 1, 1991, the allocation of property tax revenues derived with
31 respect to that property pursuant to Sections 96.1, 96.2, 97.31,
32 98, 98.01, and 98.04, shall be subject to the allocation required
33 by paragraph (2).

34 (2) The county auditor shall annually allocate to a city, county,
35 or city and county, that has adopted and transmitted a resolution
36 pursuant to paragraph (1), the amount of property tax revenues
37 derived with respect to the property described in paragraph (1)
38 that would be allocated to that city, county, or city and county if
39 that property were subject to assessment by the county assessor.
40 In order to provide the allocations required by this paragraph, the

1 county auditor shall make any necessary pro rata reductions in
2 allocations to local agencies other than that city, county, or city
3 and county adopting and transmitting a resolution pursuant to
4 paragraph (1), of property tax revenues derived with respect to
5 the property described in paragraph (1).

6 (k) (1) For property subject to this section that is owned by a
7 utility that serves no more than two counties and is located within
8 a city, county, or city and county that adopts a resolution stating
9 that the property is subject to a development plan or agreement
10 for new construction and the city, county, or city and county
11 transmits a copy of that resolution, including a legal description
12 of the property, to the State Board of Equalization and the county
13 auditor prior to January 1, 2006, the allocation of property tax
14 revenues derived with respect to that property pursuant to
15 Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the
16 requirements of paragraph (2).

17 (2) If the city, county, or city and county has adopted and
18 transmitted a resolution pursuant to paragraph (1), the county
19 auditor shall annually allocate the property tax revenue
20 attributable to the new construction described in the development
21 plan or agreement, as if that new construction were subject to
22 assessment by the county assessor, according to the following
23 formula:

24 (A) An amount of property tax revenue to school entities, as
25 defined in subdivision (f) of Section 95, equivalent to the same
26 percentage the school entities received in the prior fiscal year of
27 the property tax revenues paid by the utility in the county in
28 which the property described in paragraph (1) is located.

29 (B) An amount of property tax revenue to the county in which
30 the property is located equivalent to the same percentage the
31 county received in the prior fiscal year of the property tax
32 revenues paid by the utility in the county in which the property
33 described in paragraph (1) is located. The county shall distribute
34 those property tax revenues to the county general fund, the
35 county library district, the county flood control district, the
36 county sanitation districts, and the county service areas.

37 (C) The property tax revenue remaining after the allocations
38 described in subparagraphs (A) and (B) are made shall be
39 distributed to the city in which the property described in
40 paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

(l) The amendments made to this section by the act that added this subdivision apply for the 2007–08 fiscal year and for each fiscal year thereafter.

SEC. 1.5. Section 100 of the Revenue and Taxation Code is amended to read:

100. Notwithstanding any other provision of law, commencing with the 1988–89 fiscal year, property tax assessed value attributable to unitary and operating nonunitary property, as defined in Sections 723 and 723.1, that is assessed by the State Board of Equalization shall be allocated by county as provided in Section 756, and the assessed value and revenues attributable to that allocation shall be allocated within each county as follows:

(a) Each county shall establish one countywide tax rate area. The assessed value of all unitary and operating nonunitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area.

(b) Property assigned to the tax rate area created by subdivision (a) shall be taxed at a rate equal to the sum of the following two rates:

(1) A rate determined by dividing the county's total ad valorem tax levies for the secured roll, including levies made pursuant to Section 96.8, for the prior year, exclusive of levies for debt service, by the county's total ad valorem secured roll assessed value for the prior year.

(2) A rate determined as follows:

(A) By dividing the county's total ad valorem tax levies for unitary and operating nonunitary property for the prior year debt service only by the county's total unitary and operating nonunitary assessed value for the prior year.

(B) Beginning with the 1989–90 fiscal year, adjusting the rate determined pursuant to subparagraph (A) by the percentage change between the two preceding fiscal years in the county's ad valorem debt service levy for the secured roll, not including unitary and operating nonunitary debt service.

(c) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (1) of subdivision (b) shall be allocated as follows:

(1) For the 1988–89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to *qualified property under Section 100.95* and levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to *qualified property under Section 100.95* and levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to *qualified property under Section 100.95* and levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for *qualified property under Section 100.95* and levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for *qualified property under Section 100.95* and levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

(2) The amount of property tax revenue available for allocation pursuant to this subdivision shall be allocated among taxing jurisdictions in the proportion that the amount computed for each taxing jurisdiction pursuant to paragraph (1) bears to the total amount computed pursuant to paragraph (1) for all taxing jurisdictions.

(3) If a taxing jurisdiction is levying a tax rate for debt service for the first time in the current fiscal year, for purposes of determining the percentage specified in paragraph (1), that percentage shall be the percentage determined by dividing the amount of property tax revenue received by that taxing jurisdiction in the prior year pursuant to subdivision (c) from unitary and operating nonunitary property by the total amount of property tax revenue received by that taxing jurisdiction in the prior year from all property within the taxing jurisdiction.

(e) For purposes of this section:

(1) “The county’s total ad valorem tax levies for the secured roll” means all ad valorem tax levies for the county’s secured roll, including the general tax levy, levies for debt service (including land only and land and improvement rates), and levies for redevelopment agencies.

(2) “The county’s total ad valorem secured roll” means the county’s local roll, after all exemptions except the homeowner’s exemption, and the county’s utility roll.

(3) “Taxing jurisdiction” includes a redevelopment agency.

(4) In a county of the second class, for the 1992–93 fiscal year and each fiscal year thereafter, “taxing jurisdiction” includes that

1 fund that has been designated by the auditor as the “Unallocated
2 Residual Public Utility Tax Fund.” All revenues allocated to that
3 fund pursuant to this section shall be deposited in that fund and
4 shall be distributed as follows:

5 (A) For the 1992–93 fiscal year to the 1996–97 fiscal year,
6 inclusive, at the discretion of the county board of supervisors.

7 (B) For the 1997–98 fiscal year, 100 percent to the Orange
8 County Fire Authority.

9 (C) For the 1998–99 fiscal year and each fiscal year thereafter,
10 in accordance with the following schedule:

11 (i) Fifty-seven and forty-seven hundredths percent to the
12 Orange County Fire Authority.

13 (ii) Forty-one and forty-seven hundredths percent to the
14 Orange County Library District.

15 (iii) Forty-eight hundredths percent to the Buena Park Library
16 District.

17 (iv) Fifty-eight hundredths percent to the Placentia Library
18 District.

19 (f) The assessed value of the unitary and operating nonunitary
20 property shall be kept separate for each state assessee throughout
21 the allocation process.

22 (g) Each state assessee shall be issued only one tax bill for all
23 unitary and operating nonunitary property within the county.

24 (h) This section ~~does not apply~~ *applies to the* unitary property
25 of regulated railway companies *only to the extent described in*
26 *Section 100.1.*

27 (i) This section does not apply to property that on July 1, 1987,
28 was undeveloped and owned by a utility and located within a
29 city, county, or city and county that adopts a resolution stating
30 that the property is subject to a development plan or agreement
31 and that this section shall not apply to that property, and the city,
32 county, or city and county transmits a copy of that resolution,
33 including a legal description of the property, to the State Board
34 of Equalization and the county’s auditor-controller prior to
35 January 1, 1988.

36 (j) (1) For property that on July 1, 1990, was undeveloped and
37 owned by a utility and that is located within a city, county, or city
38 and county that adopts a resolution stating that the property is
39 subject to a development plan or agreement and that this
40 subdivision applies to that property, and the city, county, or city

1 and county transmits a copy of that resolution, including a legal
2 description of the property, to the county auditor prior to August
3 1, 1991, the allocation of property tax revenues derived with
4 respect to that property pursuant to Sections 96.1, 96.2, 97.31,
5 98, 98.01, and 98.04, shall be subject to the allocation required
6 by paragraph (2).

7 (2) The county auditor shall annually allocate to a city, county,
8 or city and county, that has adopted and transmitted a resolution
9 pursuant to paragraph (1), the amount of property tax revenues
10 derived with respect to the property described in paragraph (1)
11 that would be allocated to that city, county, or city and county if
12 that property were subject to assessment by the county assessor.
13 In order to provide the allocations required by this paragraph, the
14 county auditor shall make any necessary pro rata reductions in
15 allocations to local agencies other than that city, county, or city
16 and county adopting and transmitting a resolution pursuant to
17 paragraph (1), of property tax revenues derived with respect to
18 the property described in paragraph (1).

19 (k) (1) For property subject to this section that is owned by a
20 utility that serves no more than two counties and is located within
21 a city, county, or city and county that adopts a resolution stating
22 that the property is subject to a development plan or agreement
23 for new construction and the city, county, or city and county
24 transmits a copy of that resolution, including a legal description
25 of the property, to the State Board of Equalization and the county
26 auditor prior to January 1, 2006, the allocation of property tax
27 revenues derived with respect to that property pursuant to
28 Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the
29 requirements of paragraph (2).

30 (2) If the city, county, or city and county has adopted and
31 transmitted a resolution pursuant to paragraph (1), the county
32 auditor shall annually allocate the property tax revenue
33 attributable to the new construction described in the development
34 plan or agreement, as if that new construction were subject to
35 assessment by the county assessor, according to the following
36 formula:

37 (A) An amount of property tax revenue to school entities, as
38 defined in subdivision (f) of Section 95, equivalent to the same
39 percentage the school entities received in the prior fiscal year of

1 the property tax revenues paid by the utility in the county in
2 which the property described in paragraph (1) is located.

3 (B) An amount of property tax revenue to the county in which
4 the property is located equivalent to the same percentage the
5 county received in the prior fiscal year of the property tax
6 revenues paid by the utility in the county in which the property
7 described in paragraph (1) is located. The county shall distribute
8 those property tax revenues to the county general fund, the
9 county library district, the county flood control district, the
10 county sanitation districts, and the county service areas.

11 (C) The property tax revenue remaining after the allocations
12 described in subparagraphs (A) and (B) are made shall be
13 distributed to the city in which the property described in
14 paragraph (1) is located.

15 (3) In order to provide the allocations required by paragraph
16 (2), the county auditor shall make any necessary pro rata
17 reductions in allocations of property taxes attributable to the
18 property specified in paragraph (1) to jurisdictions other than
19 those receiving an allocation under paragraph (2).

20 *(l) The amendments made to this section by the act that added*
21 *this subdivision apply for the 2007–08 fiscal year and for each*
22 *fiscal year thereafter.*

23 SEC. 2. Section 100.95 is added to the Revenue and Taxation
24 Code, to read:

25 100.95. (a) Notwithstanding any other law, for the 2007–08
26 fiscal year and each fiscal year thereafter, all of the following
27 apply:

28 (1) The property tax assessed value of qualified property that
29 is owned by a public utility and that is assessed by the State
30 Board of Equalization shall be allocated entirely to the county in
31 which the qualified property is located.

32 (2) The tax rate applied to the assessed value allocated
33 pursuant to paragraph (1) shall be the rate calculated pursuant to
34 subdivision (b) of Section 100.

35 (3) The county auditor shall allocate the property tax revenues
36 derived from applying the tax rate described in paragraph (1) of
37 subdivision (b) of Section 100 to the qualified property described
38 in this section as follows:

39 (A) (i) School entities, as defined in subdivision (f) of Section
40 95, shall be allocated an amount equivalent to the same

1 percentage the school entities received in the prior fiscal year
2 from the property tax revenues paid by the utility in the county in
3 which the qualified property is located.

4 (ii) The county in which the qualified property is located shall
5 be allocated an amount equivalent to the same percentage the
6 county received in the prior fiscal year from the property tax
7 revenues paid by the utility in the county in which the qualified
8 property is located.

9 (iii) Special districts, other than an “enterprise special district”
10 as defined in paragraph (3) of subdivision (c), shall be allocated
11 an amount equivalent to the same percentage that these special
12 districts, other than enterprise special districts, received in the
13 prior fiscal year from the property tax revenues paid by the utility
14 in the county in which the qualified property is located.

15 (B) The balance of these revenues remaining after the
16 allocations made under subparagraph (A) shall be allocated as
17 follows:

18 (i) Ninety percent shall be allocated as follows:

19 (I) If the qualified property is located in a city, to the city in
20 which that property is located.

21 (II) If the qualified property is located in an unincorporated
22 area of the county, to the county.

23 (ii) Ten percent shall be allocated as follows:

24 (I) If the qualified property is provided water services by a
25 water district that otherwise receives a property tax revenue
26 allocation under this chapter, to that water district. If the
27 qualified property is provided water services by more than one
28 water district that otherwise receives a property tax revenue
29 allocation under this chapter, those districts shall each receive an
30 equal share of this revenue.

31 (II) If the qualified property is provided water services by a
32 city, to that city.

33 (III) If the qualified property is provided water services by a
34 private water company or a water district that does not otherwise
35 receive a property tax revenue allocation under this chapter:

36 (aa) If the qualified property is located in a city, to the city in
37 which that property is located.

38 (ab) If the qualified property is located in an unincorporated
39 area of the county, to the county.

(4) The county auditor shall allocate the property tax revenues derived from applying the tax rate described in paragraph (2) of subdivision (b) of Section 100 to the qualified property described in this section in accordance with subdivision (d) of Section 100, except that school entities, as defined in subdivision (f) of Section 95, shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(5) In order to provide the allocations required by paragraphs (3) and (4), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the qualified property to jurisdictions other than those receiving an allocation under paragraphs (3) and (4).

(b) (1) A special district that serves more than one county shall spend property tax revenues allocated under this section within the county that allocated the property tax revenues in or near communities impacted by the qualified property.

(2) All other special districts that receive property tax revenues under this section and that have qualified property located entirely or partially within their jurisdiction shall spend the property tax revenues in or near communities impacted by the qualified property.

(c) For purposes of this section, all of the following apply:

(1) “Qualified property” means all plant and associated equipment, including substation facilities and fee-owned land and easements, placed in service by the public utility on or after January 1, 2007, and related to the following:

(A) Electrical substation facilities that meet either of the following conditions:

(i) The high-side voltage of the facility’s transformer is 50,000 volts or more.

(ii) The substation facilities are operated at 50,000 volts or more.

(B) Electric generation facilities that have a nameplate generating capacity of 50 megawatts or more.

(C) Electrical transmission line facilities of 200,000 volts or more.

(2) “Qualified property” does not include either of the following:

1 (A) Additions, modifications, reconductoring, or equivalent
2 replacements to the plant and associated equipment made after
3 the plant and associated equipment are placed in service.

4 (B) Property that is subject to subdivision (k) of Section 100.

5 (3) (A) An “enterprise special district” means a special
6 district, other than a special district described in subparagraph
7 (B), that performs, as reported in the 2001–02 edition of the State
8 Controller’s Special Districts Annual Report, an enterprise
9 function.

10 (B) An “enterprise special district” does not include any of the
11 following:

12 (i) A qualified special district, as defined in Section 97.34.

13 (ii) A district organized pursuant to the Local Health Care
14 District Law set forth in Division 23 (commencing with Section
15 32000) of the Health and Safety Code.

16 (iii) A transit district.

17 (4) A public utility shall provide to the State Board of
18 Equalization a description of the qualified property that is subject
19 to this section *in the form prescribed by the board*. The State
20 Board of Equalization shall transmit to the auditor of each county
21 in which qualified property is located the information necessary
22 to identify that property and the corresponding assessed value
23 data necessary to make the property tax revenue allocations
24 required by this section.

25 *SEC. 3. The Legislature finds and declares that, in order to*
26 *implement this act in a cost effective manner, this act shall not be*
27 *construed to require the State Board of Equalization to modify its*
28 *computerized roll system. In this respect, a public utility that*
29 *owns qualified property that is subject to the allocation*
30 *provisions of this act shall provide the State Board of*
31 *Equalization with the information necessary to comply with any*
32 *provision of this act.*

33 ~~SEC. 3.~~

34 *SEC. 4.* If the Commission on State Mandates determines that
35 this act contains costs mandated by the state, reimbursement to
36 local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

39 *SEC. 5. Section 1.5 of this bill incorporates amendments to*
40 *Section 100 of the Revenue and Taxation Code proposed by both*

1 *this bill and AB 2670. It shall only become operative if (1) both*
2 *bills are enacted and become effective on or before January 1,*
3 *2007, (2) each bill amends Section 100 of the Revenue and*
4 *Taxation Code, and (3) this bill is enacted after AB 2670, in*
5 *which case Section 1 of this bill shall not become operative.*

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